

Members

Rep. Weinzapfel, Chairperson  
Mayor Bill Goffinet, Vice-Chairperson  
Randy Edgemon  
Tom Neltner  
Matt Rueff  
Jim Soper  
Ed Tinkle



## WATER INFRASTRUCTURE FINANCE SUBCOMMITTEE

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Authority: P.L. 248-2001 (SEA 121)

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### MEETING MINUTES<sup>1</sup>

**Meeting Date:** October 10, 2002  
**Meeting Time:** 10:00 A.M.  
**Meeting Place:** State House, 200 W. Washington St.,  
Room 125  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 2

**Members Present:** Mayor Bill Goffinet, Vice-Chairperson; Randy Edgemon; Tom Neltner; Matt Rueff; Ed Tinkle.

**Members Absent:** Rep. Weinzapfel, Chairperson; Jim Soper.

Mayor Bill Goffinet, Vice-Chairperson of the Water Infrastructure Finance Subcommittee of the Environmental Quality Service Council (EQSC), called the meeting to order at 10:05 a.m.

Mayor Goffinet explained that at this last meeting of the subcommittee, recommendations for presentation to the EQSC should be finalized in the areas of SRF program organization and funding sources.

In response to a question from Ed Tinkle, Tim Method, Deputy Commissioner, Indiana Department of Environmental Management (IDEM), acknowledged that more staffing will be needed if the size of the SRF program increases as projected, and that ways might be found to further streamline SRF program procedures. He emphasized IDEM's view that certain core review elements should stay in place to ensure that projects are worthy and do not cause other environmental issues. Bruno Pigott, SRF Section Chief of IDEM's Office of Water Quality, distributed "Title II Requirements and SRF Program" (Handout #1), which shows changes in program procedures made in recent years. He explained that the independent technical review performed by IDEM is favored by U.S. EPA (although not required by statute or regulation) and

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

is similar to reviews conducted in other states. He also distributed "SRF Technical Review" (Handout #2), which outlines the review process. Rich Emery, State Budget Agency, acknowledged that a review of staffing will be needed if the size of the SRF program increases as projected.

Mayor Goffinet suggested that the subcommittee consider whether the creation of an entity for administration of the SRF program, such as the Environmental Assistance Authority proposed in SB 195-2002, is appropriate, or whether administration might be consolidated in an existing entity, such as the Indiana Development Finance Authority (IDFA). He also suggested that current state funds that could potentially be used for construction of local water and wastewater infrastructure should be identified.

Tom Neltner suggested looking for ways to use our congressional delegation to push for increased federal funding.

Mr. Tinkle expressed the view that the multiple elements of the SRF program, which include economic development considerations, coordination of state efforts, and interface with the federal government, would best be handled by a new entity designed specifically to run the program. Combined financial, legal, and managerial needs cannot be adequately addressed under the current administrative structure. Mr. Neltner emphasized that creation of a new entity would take time, and that streamlining measures in the interim are needed. Randy Edgemon stated that a new entity is needed to meet environmental and economic development needs.

Matt Rueff suggested looking to the brownfields program as a comparison for the SRF program. He also pointed out that IDFA has experience with the SRF program, and that it would be appropriate to examine what would be needed by IDFA to assume administration of the SRF program. Mayor Goffinet suggested that a new entity could be designated to run the SRF program, and that agencies currently involved in administration could be called on to work together to identify program refinements.

The following motion was approved for presentation to the EQSC:

"Long term SRF environmental programs needs and related utility infrastructure needs should be handled by a new entity. In the short term, SRF procedures should be streamlined and better coordinated."

Discussion followed concerning ways to increase SRF program funding. Mr. Emery pointed out that state funds potentially usable for SRF program purposes that receive federal money are subject to the vagaries of the federal budget process. Mr. Tinkle suggested that recent years' experience in such funds should be examined.

Tonya Galbraith, Legislative Director, Indiana Association of Cities and Towns, stated that the SRF program needs assessment conducted by Dr. Greg Lindsey is in progress. She also suggested that in the absence of adequate state revenue, a coordinated push should be made for more federal funding.

Potential increased funding through federal sources, state sources, or property tax or utility rate increases was discussed. Mayor Goffinet noted that it is very difficult to make taxpayers and utility ratepayers appreciate the benefits received in the area of infrastructure.

Mr. Emery suggested that IDFA should be consulted if recommendations might be made that would increase its SRF program responsibilities. Mayor Goffinet arranged for subcommittee members to consult with IDFA. Mr. Emery suggested that the existing supplemental drinking water and wastewater assistance fund might be used as a vehicle for use of additional funding.

Ms. Galbraith noted that there are fewer restrictions on the use of this fund as compared to others.

The following motion was approved for presentation to the EQSC:

"Storm water and wastewater infrastructure needs are projected to be \$8-16 billion. Current requirements should not and cannot be borne strictly by ratepayers. State and federal contributions are required to meet standards, protect public health, and ensure success of our communities. Indiana needs to leverage federal funding and find a permanent source of state funding."

Mayor Goffinet adjourned the meeting at 11:50 a.m.